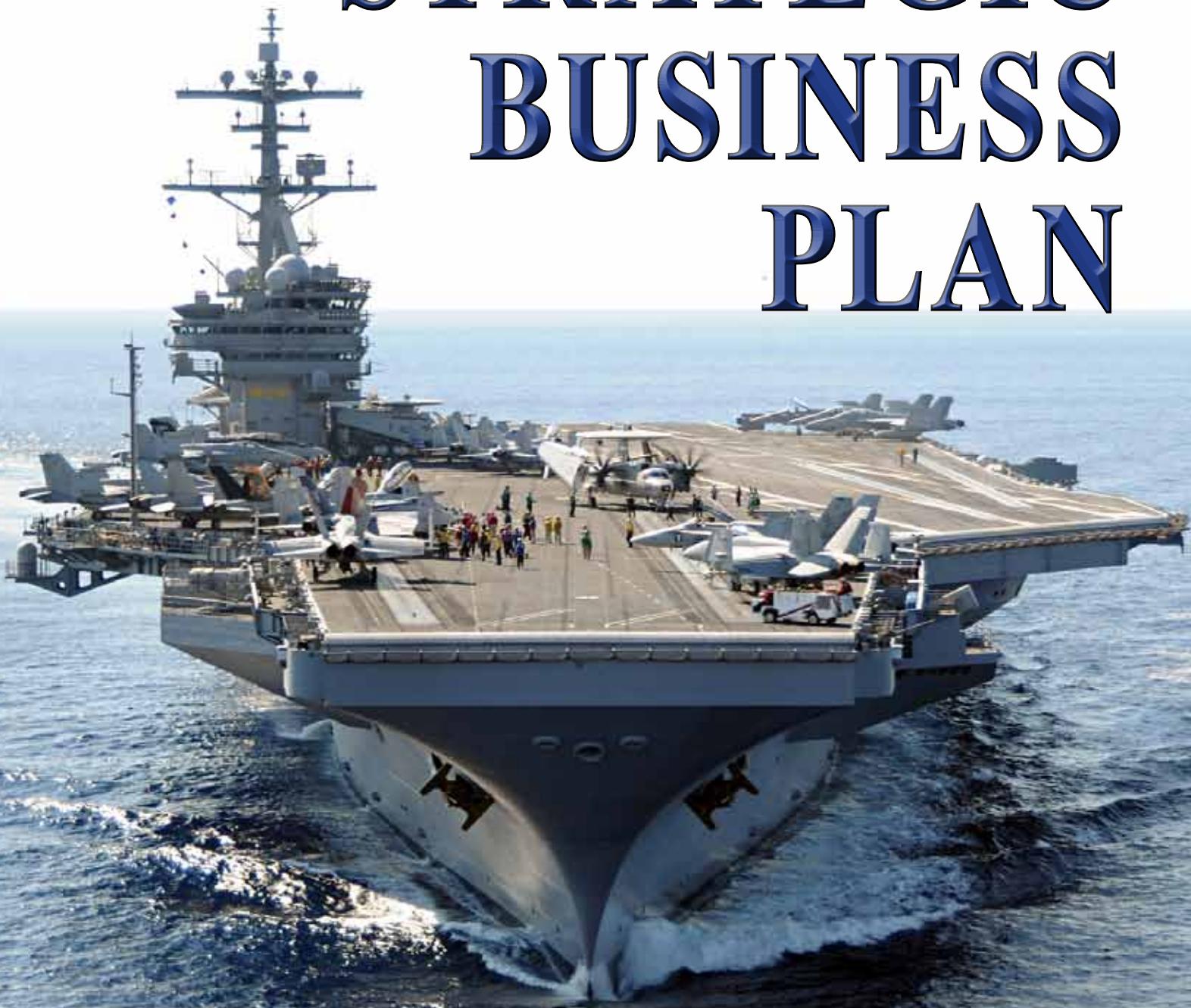


NAVAL SEA SYSTEMS COMMAND

STRATEGIC
BUSINESS
PLAN



2013-2018



Report Documentation Page			<i>Form Approved OMB No. 0704-0188</i>	
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Foreword

Everything the United States Navy brings to the fight, and ultimately does for the nation, is delivered to the point of effect by a ship. Maintaining the Navy's technical and operational excellence is necessary to ensure it remains the world's premier 21st century maritime force. NAVSEA's purpose is to support the ability to fight and win today, while building the abilities to win tomorrow.

Achieving our mission and vision requires we ensure the ships and the Sailors, who operate them, are outfitted, prepared and proficient to respond to national and global requirements.

NAVSEA leaders must ensure our people are trained and provided with clear direction without undue constraints.

All parts of the Command need to understand their roles in this Plan, and be connected to how changes to their work will ensure our future success. Each action we take should thoughtfully move us closer to achieving our vision.

A decade of sustained conflict has strained our military's resources and our Nation's treasury. The current fiscal environment is the "new normal." This will require us to act accordingly. The power of our Strategic Business Plan will come from its balance and integration of people, work, and products. The Plan contains three Mission Priorities, each of which is supported by Focus Areas and Objectives.

The Mission Priorities are

- **It's All About the Ships**
- **Technical Excellence AND Judiciousness**
- **Culture of Affordability**

The power of the Navy starts and ends with the ships (including their crews, weapons, sensors, combat systems, deployable aircraft and remote systems). The power of NAVSEA starts and ends with our people. Our robust efforts to hire, retain and support a diverse team must continue to include wounded warriors. Our country's Navy depends on us to have the best people to design, build, deliver, and maintain ships.

STRATEGIC FRAMEWORK

MISSION

We design, build, deliver and maintain ships and systems on time and on cost for the United States Navy.

VISION

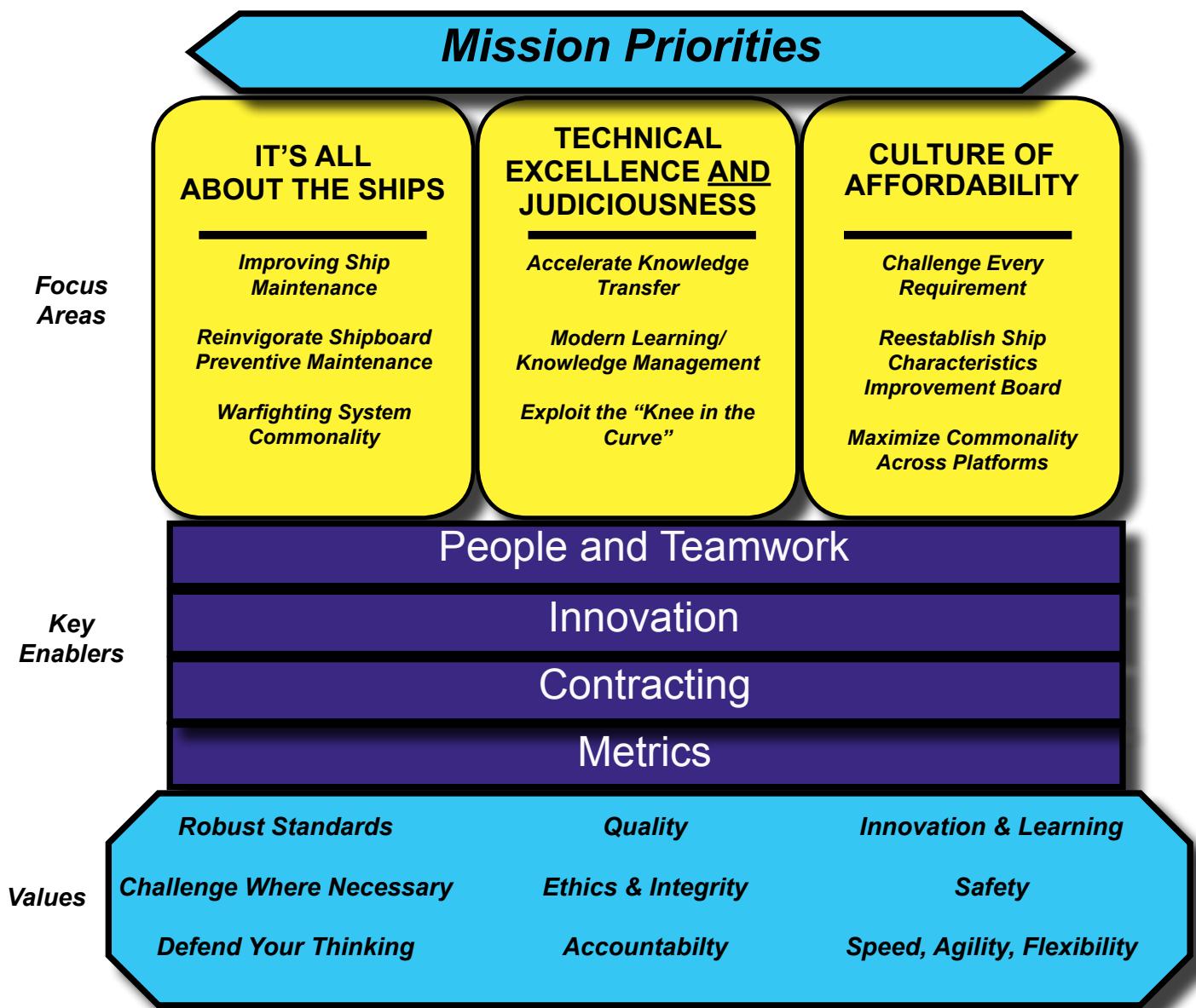
We are the Nation's team accountable for the health of its Navy.

We must purposefully operate to ensure the U.S. Navy can protect and defend America.

We must be supported by a modern, efficient industrial base.

We must be a world-class employer of choice that inspires innovation.

We must set the value-added standard for acquisition, engineering, business and maintenance.



MISSION PRIORITY

It's All About the Ships

We produce and care for our ships. The Navy projects power through its ships, and every day we must optimize the ships so they can operate forward and ultimately win the Nation's wars.

This Mission Priority has three Focus Areas:

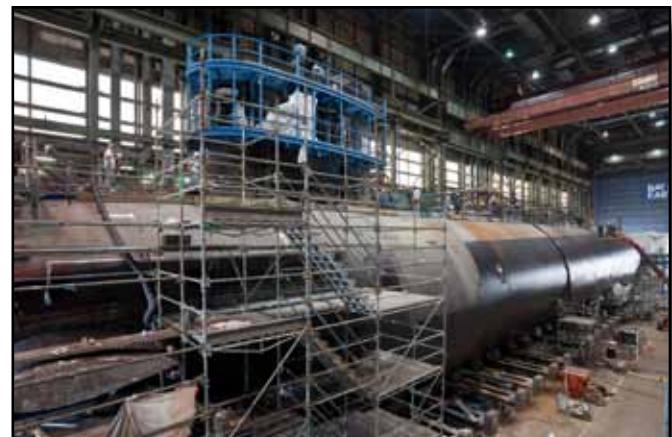
- Improving Ship Maintenance
- Reinvigorate Shipboard Preventive Maintenance
- Warfighting System Commonality



Improving Ship Maintenance

NAVSEA must provide readiness to the Fleet for ships and Sailors to perform their warfighting mission (Warfighting First), anywhere in the world (Operate Forward), when needed (Be Ready). Public and private maintenance activities directly support readiness by maintaining and modernizing the Navy's ships.

As the managing activity for the Navy's maintenance needs, NAVSEA must challenge the status quo by listening to the workforce and removing barriers that are stopping or inhibiting the flow of work. We must consider creative, non-conventional approaches to our work.



Focus Area Objectives:

- ▶ Mainstream innovation and improvement efforts to eliminate waste and improve work flow.
- ▶ Develop and insert new technologies into ship maintenance to improve the safety and health of our workforce.
- ▶ Develop and refine Class Maintenance and Modernization Plans for all surface ships to maximize consistency in application of resources to meet expected outcomes and Fleet priorities.
- ▶ Develop, collect and analyze maintenance and modernization productivity results in order to optimize the warfighting capability, fleet operational availability and expected service life of the Navy's ships.
- ▶ Revitalize the workforce by offering challenging work and appropriate training to create trade and technical excellence.
- ▶ Balance Naval Shipyard infrastructure needs with fiscal constraints to sustain the Fleet through the middle of this century and beyond.

Reinvigorate Shipboard Preventive Maintenance

Shipboard Preventive Maintenance is critical to ensuring ships remain operational to and beyond their expected service life.

The challenge is to fully align requirements, policies/tools, and execution to be successful. There are three distinct stakeholders within preventive maintenance:

- NAVSEA Technical Warrant Holders own the maintenance requirements and provide overall direction.
- NAVSEA Logistics, Maintenance and Industrial Operations Directorate owns the maintenance policy and tool-set for systems and equipment. This includes identifying, planning, scheduling, and controlling maintenance tasks.
- Fleet translates the maintenance policy, executes maintenance, and validates execution.



We must optimize Sailor maintenance work time and minimize administrative tasks to improve technical expertise while increasing their capacity. Doing so improves equipment reliability, helps achieve ship life expectancy, and provides capacity for repairs needed when deployed.

Focus Area Objectives:

- ▶ Analyze the Maintenance and Material Management process to validate feedback and minimize requirements from Fleet and maintenance organizations.
- ▶ Align Planned Maintenance System policies and Fleet execution.
- ▶ Improve Maintenance Requirement Cards to reduce cumbersome procedural steps.
- ▶ Engage Sailors in the improvement of Planned Maintenance System Tools.
- ▶ Establish a Requirements Maintenance Board chaired by Fleet to ensure Planned Maintenance System Toolset requirements are identified and conveyed.
- ▶ Establish a Configuration Control Board chaired by NAVSEA to prioritize Planned Maintenance System Toolset changes.
- ▶ Collect and analyze information to measure mutual performance, progress and results.

Warfighting System Commonality



Warfighting performance is threatened by the cost of developing and fielding capabilities. Fleet, acquisition, and lifecycle costs are increased by fielding multiple configurations for similar capabilities across different ships. Also increased are the costs to operate and equip ships, and train crews.

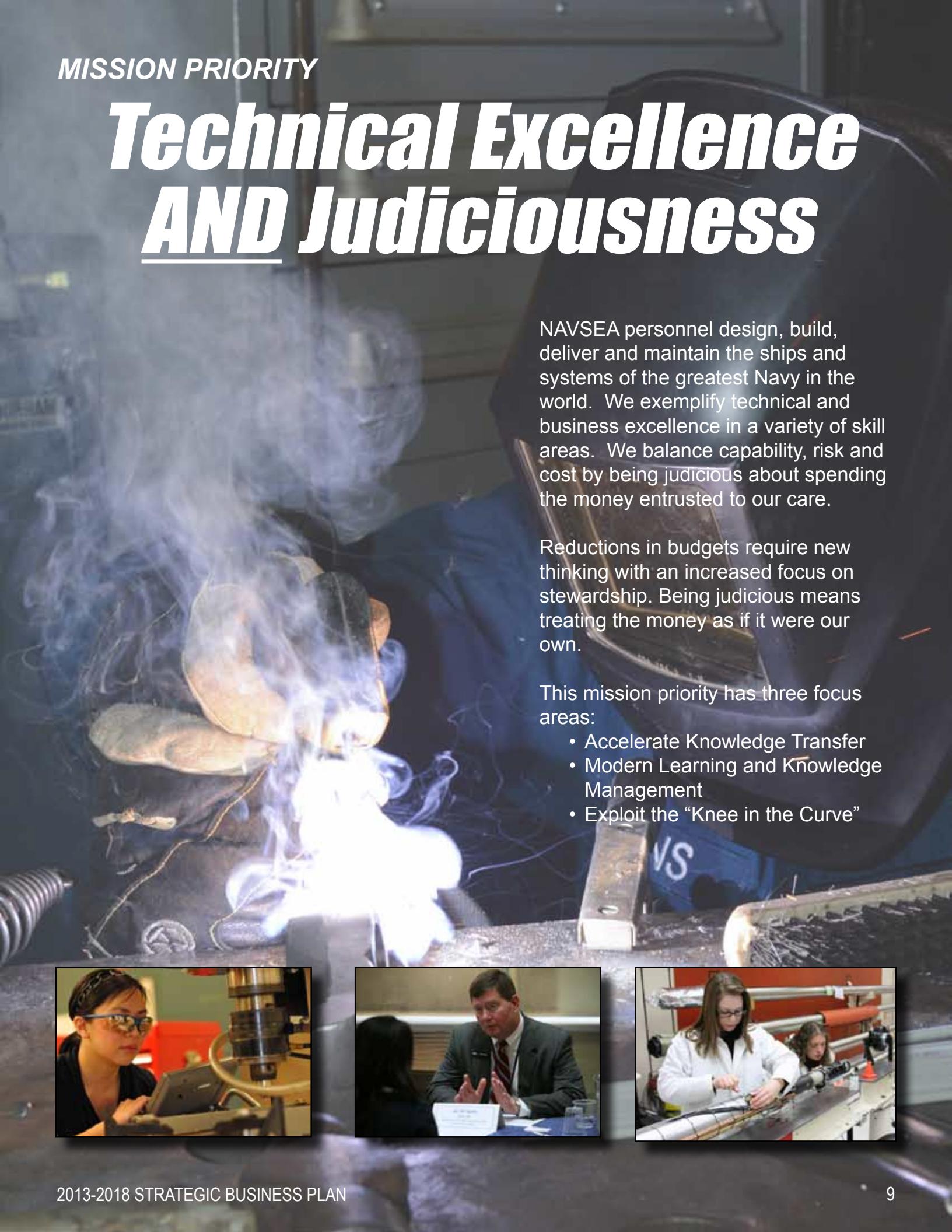
NAVSEA is committed to achieving warfighting system commonality within and across families of ships. To drive a culture of improved affordability, integration, sustainment, and performance we must leverage common hardware, software, readiness, training and maintenance solutions. A more flexible, common and open model can meet changing threats, reduce development risk, and limit ship lifecycle cost growth.

Common training and maintenance, as well as shared services, will benefit the Fleet. Additionally, Foreign Military Sales will benefit from enhanced coalition interoperability, and lower unit costs for key weapon systems.

Focus Area Objectives:

- ▶ Promote a common warfighting system design and integration solution to exert downward pressure on the full lifecycle cost of ship development, procurement, and operation.
- ▶ Align the selection of warfighting system components across ship design engineers, shipbuilding and combat system program offices to give priority to the common Government furnished solutions.
- ▶ Standardize hardware and software components across combat system elements to reduce cost, provide common training and maintenance, and take advantage of a shared network environment.

Technical Excellence AND Judiciousness



NAVSEA personnel design, build, deliver and maintain the ships and systems of the greatest Navy in the world. We exemplify technical and business excellence in a variety of skill areas. We balance capability, risk and cost by being judicious about spending the money entrusted to our care.

Reductions in budgets require new thinking with an increased focus on stewardship. Being judicious means treating the money as if it were our own.

This mission priority has three focus areas:

- Accelerate Knowledge Transfer
- Modern Learning and Knowledge Management
- Exploit the “Knee in the Curve”



Accelerate Knowledge Transfer



The very experienced and specialized workforce we have today must not be taken for granted. We must define and implement ways of preserving the knowledge of our existing workforce. We must then seek innovative ways to accelerate the transfer of knowledge to those coming into the jobs now and in the future.

We will define and implement specific ways to create, capture, organize, access and share key pieces of information within and across Competency Domains. We will then connect entry-, journey-, expert-, and executive-level employees who need similar knowledge, skills, abilities and behaviors to achieve successful job performance within the NAVSEA competency-enabled organization.

Focus Area Objectives:

- ▶ Provide individual employees with experiences and/or learning opportunities to increase their expertise, through the transfer of two key types of knowledge:
 - » Explicit knowledge, which is visible, definable and objective, and is typically found in documents, files, policies, procedures, etc.
 - » Tacit knowledge, which can be formal or informal, is context-rich, subjective, and experiential and is resident in the organization's culture.
- ▶ Use the NAVSEA Competency Domain construct to encourage interaction and improve knowledge sharing between employees at all experience levels.
- ▶ Make use of available Federal programs such as Phased Retirement to enhance knowledge transfer of career expertise.
- ▶ Assess the effectiveness of actions in transferring knowledge through the use of the Enterprise Talent Management Dashboard.

Modern Learning and Knowledge Management

NAVSEA has one of the most diverse product and services sets in the world. We must employ people with a wide variety of trade, technical, business and management skills. We must implement strategies and approaches that apply to and support the learning and development of the entire workforce.

NAVSEA's competency leaders will identify, recruit and retain the talent required to ensure mission success, while human resources organizations execute their direction. This requires collaboration to ensure education, training and skills developed for the workforce match to work requirements.



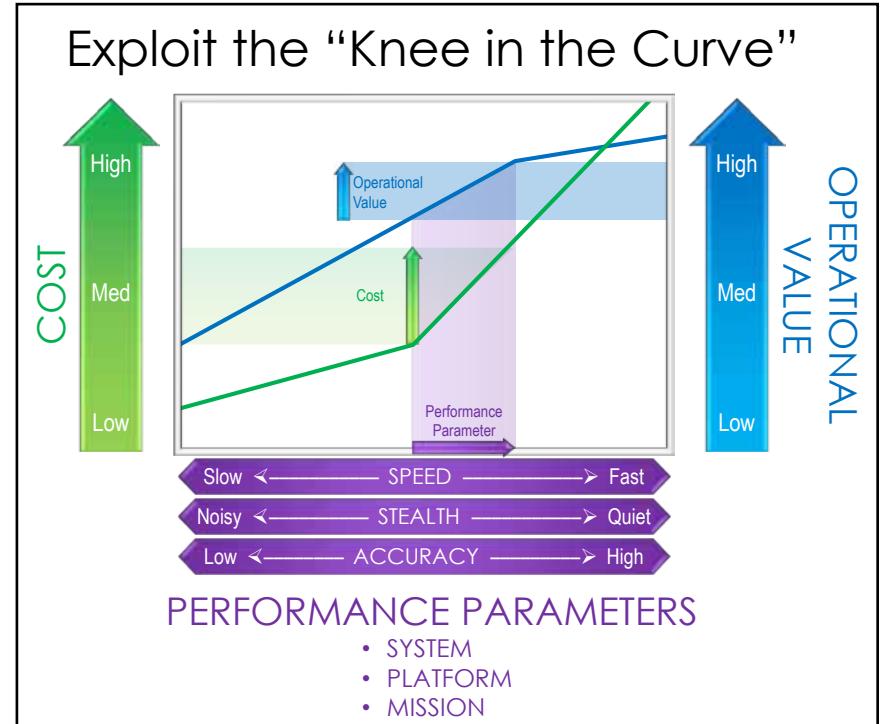
Focus Area Objectives:

- ▶ Provide individual-focused learning and development opportunities within an overall career management framework supportive of NAVSEA's mission priorities.
- ▶ Increase mentoring and coaching by experienced personnel (including Flag Officers, and Senior Executive Service members) leveraging the relationships of the Develop and Retain Integrated Business Operations Team.
- ▶ Provide a variety of mechanisms for employees to share their knowledge and collaborate with others.
- ▶ Use technology to facilitate collaboration on programs, products, projects, or services.
- ▶ Recognize those who promote collaboration and share knowledge.
- ▶ Stand up one or more interactive, cross-organizational teams to build the structure and early content of a NAVSEA knowledge repository.
- ▶ Leverage existing apprentice programs and skill strengthening opportunities for workers.

Exploit the “Knee in the Curve”

The current fiscal environment requires we acknowledge constraints and exploit the “Knee in the Curve” of performance versus operational value versus cost. The “Knee in the Curve” is the point where the cost is no longer worth the expected performance benefit.

When determining best operational value, it is important to consider the severity and consequence of vulnerabilities and risks as well as the probability of their occurrence. Judicious application of this concept to NAVSEA efforts must be the constant underpinning of our analyses.



By adopting a comprehensive view of system performance and potential tradeoffs, rather than assessing each technical performance parameter in isolation, we will ensure NAVSEA continues to design, build, deliver, and maintain operationally relevant ships and systems within resource constraints.

Focus Area Objectives:

- ▶ Bring focus and attention to “Knee in the Curve” considerations by reaffirming and establishing NAVSEA leads at the system and mission levels.
- ▶ Employ “Knee in the Curve” principles when challenging requirements, specifically during Program of Record formulation, Modernization planning, and In-Service maintenance.
- ▶ Improve relationships with OPNAV and the Fleet to ensure results and findings are included in the decision process.
- ▶ Influence the contents of NAVSEA, DoN and DoD policies and instructions to ensure “Knee in the Curve” considerations are part of the guidance on how decisions are made.

MISSION PRIORITY

Culture of Affordability

Warfighting performance is threatened by unsustainable and increasing costs. As we make decisions, we must consider the warfighter by challenging those requirements where costs can be saved by embracing the Culture of Affordability.

This mission priority has three focus areas:

- Challenge Every Requirement
- Maximize Commonality Across Platforms
- Reestablish Ship Characteristics Board



Challenge Every Requirement

The goal of challenging every requirement is to insert affordability into the tradespace of robust, safe, and effective. Lead ship design specifications tend to be conservative. The process of challenging requirements to drive down costs must be applied to ship construction, testing, operations, and maintenance and modernization.



Focus Area Objectives:

- ▶ Identify margins above operational need and use a systems approach to quantify costs to be removed through a change process.
- ▶ Deliver affordability options through design decision memoranda.
- ▶ Adjudicate process, requirement and specification changes and translate those into cost savings through modifications to specifications, standards, and policies.
- ▶ Engage with stakeholders to shape future ship and system characteristics and requirements to reduce cost.

Maximize Commonality Across Platforms



By implementing cross platform commonality, we can reduce the number of unique components and systems in inventory, as evidenced by NAVSEA studies. Commonality can also increase the ability to incorporate and update new capabilities when considered as part of the lifecycle strategy. Through use of prescreened architectures, standard interfaces, specifications and parts lists, we will reduce program development time, risk, logistics footprint, testing, certification, maintenance and training costs.



Focus Area Objectives:

- ▶ Expand commonality initiatives within NAVSEA, using our technical talent to maximize opportunities for cross platform commonality, and rapidly implement ongoing efforts.
- ▶ Review, revise, and/or develop policies and instructions requiring cross platform commonality where function is not compromised.
- ▶ Drive commonality into specifications and technical standards to reduce acquisition and lifecycle costs.
- ▶ Develop and implement common business practices and contract clauses to drive cross platform commonality.

Reestablish Ship Characteristics Improvement Board



The Ship Characteristics Improvement Board has existed in one form or another since 1945. The most recent configuration was incorporated into the Naval Capabilities Board (NCB) in the mid-2000s.

The goal of the NCB is to provide a forum where difficult decisions of balancing capability against cost are made, ratified by senior leadership, and handed off to the acquisition community for execution.

In order to achieve a better return on investment from the NCB, we must reinforce the understanding that NAVSEA Program Managers, Design Managers, and Technical Warrant Holders are best positioned to identify and staff such capability versus cost decisions and ideas.

The NCB must operate at two different levels. For programs under the authority of the Resources and Requirements Review Board, the NCB will review, analyze and forward candidates for their approval. For all other programs, the NCB will either have the authority to approve execution or will recommend action to the approving authority. The NCB will provide an approval forum for actions arising from all other areas of the NAVSEA Strategic Business Plan.

Focus Area Objectives:

Update the NCB governing document to:

- ▶ Assign it the responsibility to:
 - » Aggressively seek cost versus capability trade-off options.
 - » Change requirements in existing programs after production has already begun.
- ▶ Expand the scope of its considerations beyond top-level requirements to include issues involving detailed design specifications needing senior leadership approval.
- ▶ Establish procedures for ratifying decisions at the appropriate level, and retain documentation of all NCB actions.

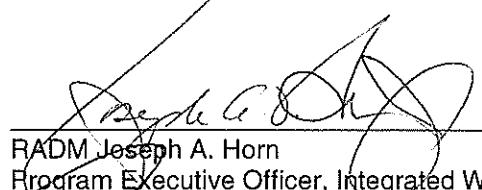
Tying it all together...

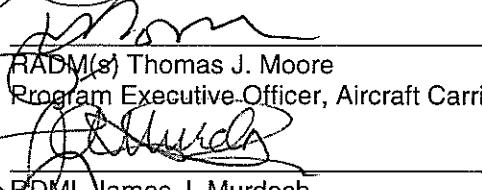
This plan charts our course for the next five years. Every decision made and every product delivered by everyone in the command should steer us in this direction. Just as tides and winds may change our course, we will have to make adjustments along the way.

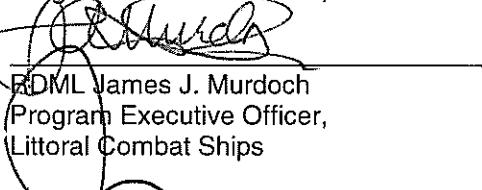
Each year, we will compare our progress to the intent of the plan, and ensure the desired outcomes and overall direction remains true. At the end of the second full year, we will take a harder look, together; to be sure our destination is still relevant and adds to the vitality of our Navy.

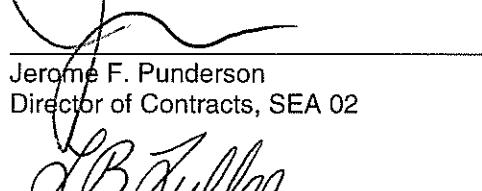
This course will take courage, perseverance and innovation; it must be different from the well-worn trade routes if we are to achieve our results. We, as individuals within this command, hold the success or failure in our hands. NAVSEA is resilient and we will continue to remember the shipmates we lost on Sept. 16, 2013. We will be engaged, take action, and create the change we need so we “don’t give up the ship!”



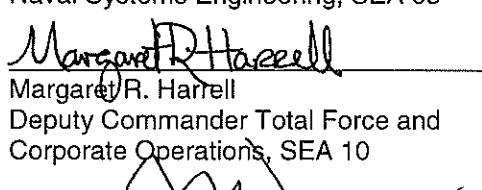

RADM Joseph A. Horn
Program Executive Officer, Integrated Warfare Systems

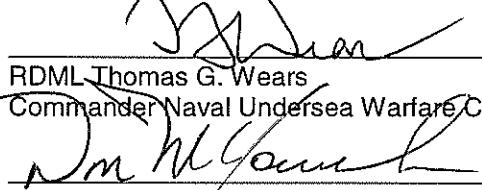

RADM(s) Thomas J. Moore
Program Executive Officer, Aircraft Carriers

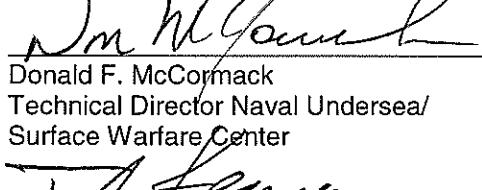

RDML James J. Murdoch
Program Executive Officer,
Littoral Combat Ships

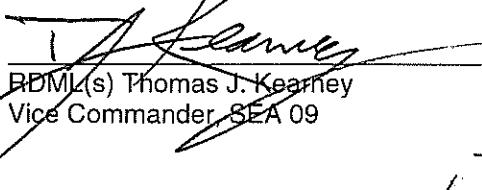

Jerome F. Punderson
Director of Contracts, SEA 02

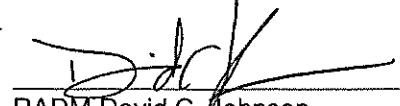

RDML Bryant Fuller
Deputy Commander
Naval Systems Engineering, SEA 05


Margaret R. Harrell
Deputy Commander Total Force and
Corporate Operations, SEA 10

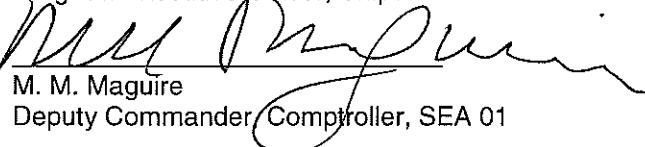

RDML Thomas G. Wears
Commander Naval Undersea Warfare Center

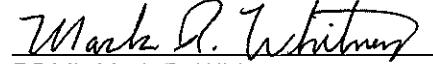

Donald F. McCormack
Technical Director Naval Undersea/
Surface Warfare Center


RDML(s) Thomas J. Kearney
Vice Commander, SEA 09

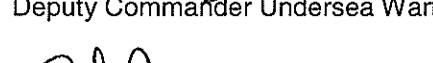

RADM David C. Johnson
Program Executive Officer, Submarines

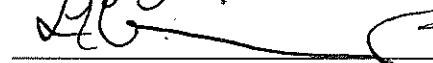

RDML(s) David H. Lewis
Program Executive Officer, Ships

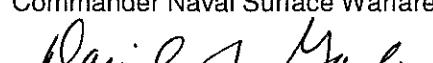

M. M. Maguire
Deputy Commander, Comptroller, SEA 01


RDML Mark R. Whitney
Deputy Commander Logistics, Maintenance &
Industrial Operations, SEA 04


RDML Michael E. Jabaley
Deputy Commander Undersea Warfare, SEA 07


E. Anne Sandel
Deputy Commander Surface Warfare, SEA 21


RDML Lawrence E. Creevy
Commander Naval Surface Warfare Center


RDML David J. Gale
Commander Navy Regional Maintenance Center


William J. Deligne
Executive Director, SEA 00B


VADM William H. Hilarides
Commander, Naval Sea Systems Command



**Naval Sea Systems Command
1333 Isaac Hull Avenue, S. E.
Washington, DC 20376**

www.navsea.navy.mil